4/12/88 S 8750-1

WISCONSIN ECONOMIC INDICATORS

MARCH 1988

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism Development

WISCONSIN ECONOMIC INDICATORS

SUMMARY FOR FEBRUARY

COMPOSITE INDEX

Wisconsin's composite index of leading economic indicators leaped up by over twelve percentage points to its highest level on record. Month-to-month trends for all leading indicators were above their normal February patterns.

Particularly noteworthy were a large decrease in the weekly average initial claims for unemployment compensation, a large upward seasonally adjusted trend in business telephone access lines, and a steady pace of building plans examined in a month that normally witnesses a decrease of examinations.

LEADING INDICATORS

Production workers in manufacturing averaged less time on the job per week in February than in the previous month. While the average workweek is down by one-tenth of an hour, the workweek trend is up ... a decrease of about two-tenths would have been normal.

Notwithstanding the slight decline in the total workweek average, the average weekly overtime in manufacturing remained unchanged. February's 4.2 hours average overtime is healthy for any month, and February is usually a slack month for manufacturing employment.

The upward trend in the workweek coupled with growth in manufacturing employment indicate a good manufacturing climate. The manufacturing industry, nationwide, has been strong for several months, a phenomenon attributed by economists to the lower exchange rate of the U.S. currency.

The average number of initial claims for unemployment compensation plunged by over three thousand in February. A decrease of initial claims is normal for the month, but this February's decline exceeds the seasonal trend ... a drop of about 2400 in the average would have been on par.

Also beating the normal seasonal trend was the number of job openings received at state Job Service offices. The calls for workers decreased by about thirty, but a decrease of over two-hundred would have been usual.

Both new business incorporations and the net gain in business telephone access lines decreased, but again, the decrease is much smaller that is seasonally normal for February.

The number of commercial and industrial building plans examined remained nearly even in February from the month earlier. That, too, is a plus. Building plans examined usually decreases in February. Plans examinations, done for safety purposes, are an indication of the future construction employment level.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
LEADING INDICATORS							
L1 COMPOSITE INDEX OF LEADING INDICATORS							
Seasonally Adjusted	Index	FEB	114.6	101.8	88.0	12.6%	30.2%	97.9
L2 AVG. WORK WEEK, MFG.							
Unadjusted	Hours	FEB	41.6	41.7	41.0	-0.2%	1.5%	41.4
Seasonally Adjusted			41.8	41.7	41.2	0.2%	1.5%	
L3 AVG. OVERTIME HOURS, MFG.							
Unadjusted	Hours	FEB	4.2	4.2	3.4	0.0%	23.5%	3.9
Seasonally Adjusted			4.4	4.2	3.5	4.8%	25.7%	
L4 AVG. WEEKLY INITIAL CLAIMS	—						
Unadjusted	Number	FEB	6794	9936	8638	-31.6%	-21.3%	7601
Seasonally Adjusted			6577	7333	8363	-10.3%	-21.4%	
L5 TOTAL JOB OPENINGS RECEIVED							
Unadjusted	Number	FEB	5865	5892	5301	-0.5%	10.6%	7774
Seasonally Adjusted			8067	7804	7296	3.4%	10.6%	
L6 NEW BUSINESS INCORPORATIONS							
Unadjusted	Number	FEB	547	559	594	-2.1%	-7.9%	546
Seasonally Adjusted			595	539	647	10.4%	-8.0%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES							
Unadjusted	Number	FEB	2489	2858	1474	-12.9%	68.9%	1921
Seasonally Adjusted			2817	1921	1225	46.6%	130.0%	
L8 BUILDING PLANS EXAMINED							
Unadjusted	Number	FEB	418	419	364	-0.2%	14.8%	622
Seasonally Adjusted			648	592	564	9.5%	14.9%	
COINCIDING INDICATORS							
C1 HELP-WANTED INDEX (MILW.)							
Seasonally Adjusted	Index	DEC	93	89	60	4.5%	55.0%	78
C2 UNEMPLOYMENT RATE, TOTAL							
Unadjusted	Percent	FEB	6.8	7.1	8.2	-4.2%	-17.1%	6.1
Seasonally Adjusted			5.5	5.8	6.6	-5.2%	-16.7%	
C3 NATURAL GAS SALES							
Unadjusted	Mil.	JAN	410.1	294.4	344.3	39.3%	19.1%	169.0
Seasonally Adjusted	Therms		211.5	170.9	177.5	23.8%	19.2%	
C4 NEW CAR REGISTRATIONS							
Unadjusted	Number	FEB	13,326	12,956	15,972	2.9%	-16.6%	14,261
Seasonally Adjusted			16,872	13,533	14,048	24.7%	20.1%	
C5 ELECTRIC POWER SALES							
Unadjusted	Mil. KWH	JAN	2304.1	2046.5	1958.3	12.6%	17.7%	2068.8
Seasonally Adjusted			2311.0	2077.5	1964.2	11.2%	17.7%	
C6 TOTAL SECURITIES REGISTRATIONS							
Unadjusted	Mil. Dol.	FEB	113.0	185.0	128.1	-38.9%	-11.8%	120.4
Seasonally Adjusted			80.0	221.8	90.7	-63.9%	-11.8%	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES				% CHANGE		AVG.
		Latest Month		Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1987
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	FEB	533.5	532.5	509.2	0.2%	4.8%	526.8
Seasonally Adjusted			546.1	543.9	521.1			
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	FEB	$447.20	$447.86	$433.78	-0.1%	3.1%	$436.88
Seasonally Adjusted			$445.86	$442.55	$432.42	0.7%	3.1%	
C9 CASH RECEIPYS FROM FARM MKTG.								
Unadjusted	Mil. Dol.	DEC	439.6	515.4	477.1	-14.7%	-7.9%	433.1
Seasonally Adjusted			403.8	451.1	439.2	-10.5%	-8.1%	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	Thous.	FEB	60.1	62.8	56.9	-4.3%	5.6%	67.4
Seasonally Adjusted			76.4	75.8	72.3	0.8%	5.7%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	FEB	5848	5538	5279	5.6%	10.8%	5892
Seasonally Adjusted			6586	5440	5943	21.1%	10.8%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	FEB	4067	4164	3392	-2.3%	19.9%	3528
Seasonally Adjusted			4075	3430	6400	18.8%	-36.3%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	FEB	1781	1374	1887	29.6%	-5.6%	2364
Seasonally Adjusted			2272	1867	2407	21.7%	-5.6%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	FEB	1613	1881	1667	-14.2%	-3.2%	3173
Seasonally Adjusted			3305	2953	3416	11.9%	-3.2%	
X5 CONSUMER PRICE INDEX				(Jun '87)	(Nov '87)			
Unadjusted	Index	DEC	349.2	340.0	330.7	2.7%	5.6%	
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	FEB	133	132	132	0.8%	0.8%	134
Seasonally Adjusted			132	129	131	2.3%	0.8%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	FEB	54	3124	669	-98.3%	-91.9%	1750
Seasonally Adjusted			2066	2133	1533	-3.1%	34.8%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	FEB	11	11	1240	0.0%	-99.1%	538
Seasonally Adjusted			16	8	1800	100.0%	-99.1%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	FEB	14,853	14,730	20,603	0.8%	-27.9%	18560
Seasonally Adjusted			15,717	16,134	21,807	-2.6%	-27.9%	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES FEBRUARY	(In Thousands)			Pct. Chg.	
	Latest Month *	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2451.5	2449.4	2439.3	0.1	0.5
Employment (Inc. Labor Disputes)	2285.4	2276.1	2238.4	0.4	2.1
Unemployment	166.1	173.3	200.9	-4.2	-17.3
Unemployment Rate	6.8	7.1	8.2	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2507.6	2502.3	2488.2	0.2	0.8
Employment (Inc. Labor Disputes)	2370.7	2356.2	2322.8	0.6	2.1
Unemployment	136.8	146.1	165.4	-6.8	-17.3
Unemployment Rate	5.5	5.8	6.6	-	-

WISCONSIN EMPLOYMENT ESTIMATES FEBRUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2080.2	2073.3	2012.6	0.3	3.4
Unadjusted					
Manufacturing	533.5	532.5	508.2	0.2	5.0
Mining	1.4	1.5	1.3	-6.7	7.7
Contract Construction	60.1	62.8	56.9	-0.3	5.6
Transportation and Public Utilities	94.1	93.8	91.2	0.3	3.2
Elec., Gas and Sanitary Services	17.4	17.5	17.4	-0.6	0.0
Wholesale Trade	108.2	108.4	102.3	-0.2	5.8
Retail Trade	381.3	384.0	367.2	-0.7	3.8
General Merchandise	48.5	49.6	47.2	-2.2	2.8
Finance, Insurance and Real Estate	112.2	112.4	109.7	-0.2	2.3
Banking	27.8	27.9	27.2	-0.4	2.2
Insurance	38.4	38.4	37.0	0.0	3.8
Service and Miscellaneous	456.5	453.4	441.3	0.7	3.4
Hospitals	69.6	69.5	67.3	0.1	3.4
Private Education	25.4	24.1	26.4	5.4	- 3.8
Government	332.9	324.5	334.6	2.6	- 0.5
State Government	82.8	78.6	86.1	5.3	- 3.8
Local Government	221.5	217.4	220.1	1.9	0.6

UNITED STATES LABOR FORCE ESTIMATES FEBRUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	121,348	121,175	119,230	0.1	1.8
Employment	114,409	114,129	111,344	0.2	2.8
Unemployment	6,938	7,046	7,886	-1.5	-12.0
Unemployment Rate	5.7	5.8	6.6	-	-

* Latest month data are preliminary

MANUFACTURING EMPLOYMENT *(Unadjusted)* FEBRUARY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	533.5	532.5	508.2
All Manufacturing (Excluding Canning)	525.9	524.8	500.5
Durable Goods	330.7	329.6	312.4
Lumber and Wood Prod., (Except Furniture)	26.1	26.1	24.3
Sawmills and Planning Mills	3.3	3.3	3.3
Millwork, Veneer, Plywood & Prefab. Wood Prod.	12.9	13.1	12.2
Furniture and Fixtures	11.4	11.3	10.5
Household Furniture	5.0	4.9	4.3
Stone, Clay and Glass Products	8.4	8.4	7.4
Concrete, Gypsum and Plaster Products	3.4	3.6	2.9
Primary Metal Industries	21.1	20.9	19.3
Iron and Steel Foundries	10.8	10.7	9.6
Fabricated Metal Products	54.8	54.6	52.2
Heating Equipment (Except Electrical) & Plumbing Fixtures	7.0	6.8	6.7
Fabricated Structural Metal Products	13.3	13.4	12.2
Metal Stampings	11.2	11.1	11.0
Machinery (Except Electrical)	107.4	106.8	99.5
Engines and Turbines	20.7	20.6	19.7
Farm Machinery and Equipment	13.3	13.2	11.4
Const., Min. & Material Handling Mach. & Equip.	10.9	10.8	10.1
Metalworking Machinery and Equipment	11.4	11.4	11.4
Special Industry Machinery (Except Metalworking)	13.5	13.5	12.4
General Industrial Machinery and Equipment	14.7	14.6	13.5
Service Industry Machines	6.9	6.9	6.8
Electrical Machinery, Equipment and Supplies	47.3	47.4	46.6
Electrical Industrial Apparatus	15.7	15.5	15.6
Household Appliances	6.1	6.1	5.9
Transportation Equipment	32.7	32.9	32.4
Motor Vehicles and Equipment	25.9	26.0	24.8
Instruments and Related Products	12.3	12.4	11.4
Miscellaneous Manufacturing	9.0	8.9	8.6
Nondurable Goods	202.8	202.9	195.8
Food and Kindred Products	57.4	57.9	56.1
Meat Products	14.5	14.6	13.9
Dairy Products	17.2	17.4	16.4
Canning and Preserving	7.6	7.7	7.7
Bakery Products	4.2	4.3	4.1
Beverage Industries	7.3	7.0	7.2
Textile Mill Products	4.3	4.3	3.7
Knitting Mills	3.8	3.8	3.2
Apparel and Other Finished Products	6.9	6.7	6.9
Paper and Allied Products	47.3	47.5	47.8
Pulp and Paper Mills	28.8	28.9	29.4
Converted Paper and Paperboard Products	10.2	10.2	10.1
Paperboard Containers and Boxes	7.1	7.2	7.0
Printing, Publishing and Allied Industries	43.6	43.3	40.2
Newspapers	12.1	12.1	11.8
Commercial Printing	20.5	20.3	17.8
Chemicals and Allied Products	10.3	10.2	10.0
Rubber and Misc. Plastics Products	25.7	25.7	24.4
Miscellaneous Plastics Products	21.3	21.4	20.2
Leather and Leather Products	7.1	7.1	6.5
Leather Tanning and Finishing	1.7	1.7	1.7
Footwear (Except Rubber)	3.8	3.8	3.2
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* FEBRUARY	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$446	$448	$434	41.6	41.7	41.0
All Manufacturing (Excl. Canning)	447	450	436	41.6	41.8	41.1
Durable Goods	459	463	444	42.2	42.4	41.4
Lumber/Wood Prod. (Exc. Furn.)	322	314	317	39.8	39.0	39.8
Furniture and Fixtures	352	355	338	42.2	43.0	42.0
Stone, Clay and Glass Products	416	420	401	42.5	42.8	43.7
Primary Metal Industries	461	458	442	44.6	44.7	43.2
Iron and Steel Foundries	468	472	447	46.1	46.6	44.3
Fabricated Metal Products	429	430	414	41.7	41.7	40.2
Fab. Structural Metal Prod.	423	428	415	42.5	42.8	42.0
Metal Stampings	464	468	453	41.2	41.2	40.7
Machinery (Except Electrical)	507	519	510	43.6	44.2	43.0
Engines and Turbines	555	595	617	42.6	44.8	45.3
Farm Machinery and Equip.	560	557	523	45.6	44.9	40.7
Const. and Related Mach.	516	519	457	46.0	46.2	42.0
Metalworking Mach. and Equip.	536	537	540	44.0	44.2	43.7
Spec. Ind. Mach. (Exc. Metal).	511	521	480	44.2	44.8	41.5
Gen. Industrial Mach. and Equip.	481	480	495	42.7	42.5	42.3
Electrical Mach., Equip. and Supp.	402	410	417	39.4	3-.7	41.0
Electrical Industrial Apparatus	419	425	436	39.5	39.6	41.0
Transportation Equipment	656	642	546	43.9	43.4	39.7
Instruments and Related Prod.	366	373	351	41.0	41.7	39.9
Nondurable Goods	422	423	418	40.4	40.5	40.4
Food and Kindred Products	396	398	388	40.0	40.1	39.6
Meat Products	368	374	350	41.4	41.7	39.5
Dairy Products	398	392	389	40.1	39.5	39.7
Textile Mill Products	306	306	330	41.8	41.6	41.3
Apparel and Other Fin. Prod.	247	249	237	37.9	38.9	37.7
Paper and Allied Products	576	573	558	44.5	44.5	44.7
Pulp and Paper Mills	624	615	606	45.4	45.0	46.0
Printing, Pub. and Allied Prod.	422	424	407	37.7	37.7	36.7
Chemicals and Allied Products	393	397	462	36.9	37.3	40.7
Rubber and Misc. Plastics Prod.	323	329	329	39.1	39.5	40.1
Leather and Leather Products.	260	257	259	39.8	39.3	37.9

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* FEBRUARY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.72	$10.74	$10.58	$10.15	$10.17	$10.14
All Manufacturing (Excl. Canning)	10.75	10.76	10.61	10.18	10.20	10.18
Durable Goods	10.88	10.91	10.73	10.32	10.35	10.33
Lumber/Wood Prod. (Exc. Furn.)	8.08	8.05	7.96	7.95	7.96	-
Furniture and Fixtures	8.34	8.25	8.04	7.93	7.89	7.69
Stone, Clay and Glass Products	9.78	9.81	9.17	9.34	9.36	8.89
Primary Metal Industries	10.33	10.24	10.24	9.68	9.61	9.78
Iron and Steel Foundries	10.15	10.13	10.08	9.47	9.43	9.60
Fabricated Metal Products	10.29	10.31	10.29	9.83	9.83	9.96
Fab. Structural Metal Prod.	9.96	9.99	9.88	9.47	9.50	9.56
Metal Stampings	11.27	11.35	11.14	10.82	10.87	10.78
Machinery (Except Electrical)	11.63	11.75	11.85	11.01	11.08	11.23
Engines and Turbines	13.02	13.29	13.63	12.29	12.31	12.52
Farm Machinery and Equip.	12.27	12.40	12.85	11.60	11.81	12.45
Const. and Related Mach.	11.21	11.24	10.87	10.60	10.63	10.56
Metalworking Mach. and Equip.	12.18	12.16	12.36	11.61	11.60	11.83
Spec. Ind. Mach. (Exc. Metal).	11.57	11.62	11.57	10.92	11.01	11.09
Gen. Industrial Mach. and Equip.	11.26	11.30	11.70	10.66	10.71	11.31
Electrical Mach., Equip. and Supp.	10.21	10.32	10.18	9.84	9.94	9.82
Electrical Industrial Apparatus	10.60	10.73	10.64	10.34	10.46	10.58
Transportation Equipment	14.95	14.79	13.76	13.92	13.94	13.33
Instruments and Related Prod.	8.92	8.95	8.79	8.65	8.65	8.65
Nondurable Goods	10.44	10.44	10.34	9.85	9.85	9.83
Food and Kindred Products	9.91	9.92	9.79	9.48	9.46	9.35
Meat Products	8.88	8.98	8.85	8.54	8.60	8.57
Dairy Products	9.93	9.92	9.80	9.43	9.44	9.36
Textile Mill Products	7.33	7.36	7.98	7.01	7.02	7.70
Apparel and Other Fin. Prod.	6.51	6.41	6.29	6.45	6.29	6.17
Paper and Allied Products	12.95	12.88	12.48	12.07	12.02	11.77
Pulp and Paper Mills	13.75	13.66	13.17	12.77	12.69	12.38
Printing, Pub. and Allied Prod.	11.20	11.24	11.09	-	-	-
Chemicals and Allied Products	10.64	10.65	11.35	10.27	10.30	11.08
Rubber and Misc. Plastics Prod.	8.27	8.34	8.20	7.99	8.06	7.91
Leather and Leather Products.	6.54	6.54	6.83	6.34	6.36	6.64

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) FEBRUARY	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$410	$413	$401	40.7	41.0	40.8	10.07	10.07	9.84	-	-
Wisconsin	447	448	434	41.6	41.7	41.0	10.75	10.74	10.58	10.15	10.17
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	478	477	455	42.7	42.8	42.4	11.19	11.14	10.72	10.61	10.56
Beloit (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Eau Claire (Eau Claire-Chippewa)	420	425	415	38.7	38.8	39.3	10.86	10.96	10.55	10.51	10.59
Fond du Lac (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Green Bay (Brown County)	476	481	473	41.8	42.3	41.4	11.38	11.36	11.43	10.43	10.44
Janesville (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Janesville-Beloit (Rock County)	505	508	486	40.9	40.8	39.2	12.34	12.46	12.39	11.90	11.96
Kenosha (County)	566	522	443	42.8	41.0	37.9	13.22	12.72	11.68	12.13	12.26
La Crosse (County)	354	351	368	38.4	39.2	40.0	9.22	8.96	9.19	8.93	8.71
Madison (Dane County)	412	419	397	40.6	41.1	40.1	10.15	10.19	9.89	9.74	9.64
Manitowoc (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	486	494	487	41.7	42.2	41.3	11.66	11.70	11.80	10.96	10.96
Racine (County)	447	466	445	40.7	41.6	40.6	10.98	11.20	10.96	10.55	10.72
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	425	423	408	41.7	41.3	41.4	10.19	10.23	9.85	9.67	9.72

INA - Information Not Available due to budget reductions

EMPLOYMENT, MFG. (Unadjusted) FEBRUARY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,287.0	19,251.0	18,853.0	0.2	2.3
Wisconsin	533.5	532.5	508.2	0.2	5.0
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	51.8	50.5	48.3	2.6	7.2
Beloit (City)	INA	INA	INA	-	-
Eau Claire (Eau Claire-Chippewa)	10.4	9.9	9.9	5.1	5.1
Fond du Lac (County)	INA	INA	INA	-	-
Green Bay (Brown County)	24.5	24.7	23.6	-0.8	3.8
Janesville (City)	INA	INA	INA	-	-
Janesville-Beloit (Rock County)	17.8	17.7	17.1	0.6	4.1
Kenosha (County)	15.1	15.0	12.0	0.7	25.8
La Crosse (County)	11.0	11.1	10.6	-0.9	3.8
Madison (Dane County)	22.6	22.8	21.5	-0.9	5.1
Manitowoc (County)	INA	INA	INA	-	-
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	172.7	172.1	167.2	0.3	3.3
Racine (County)	24.8	24.7	24.4	0.4	1.6
Sheboygan (County)	INA	INA	INA	-	-
Wausau (Marathon County)	12.7	12.7	11.7	0.0	8.5

WISCONSIN ECONOMIC FORECAST

By David H. Peterson and Gene Schubert

The current forecast is very similar to our previous forecast, with economic growth expected to decline to 2 percent in 1988 due to weakness in the consumer and government sectors. The area of significant strength remains net exports. However, economic events in the fourth quarter of 1987 were less favorable than expected and have increased moderately the risk of a 1988 recession, although no recession is forecast at this time.

Despite the apparent strength of the 4.2 percent growth in real GNP reported in the fourth quarter of 1987, there are some disturbing elements. Foremost among them is the fact that most of the production increase went into increased inventories.

Real consumer purchases fell by $24 billion (3.8%) in the fourth quarter. Most of this decline is attributable to a decline in the purchases of automobiles. This was expected to some extent because auto purchases in the third quarter were inflated by aggressive sales promotions. However, weakness was also apparent in consumer purchases of nondurable goods which fell 4.5 percent and in consumer purchases of services which showed a relatively weak 2.8 percent growth.

Continued decline in consumer spending in 1988 could cause a mild recession. This is a risk to the current forecast. Conversely, stronger than expected consumer spending could cause above average economic growth in 1988, leading to more severe inflationary pressure. If this were to occur, the Federal Reserve would be expected to tighten monetary policy in 1989, which could then trigger a more severe recession in 1990. Despite these possibilities, neither retrenchment nor excessive consumer spending are forecast to be the most likely path for consumers in 1988.

After weakening to 1.2 percent growth in 1988, consumption spending strengthens to 1.7 percent growth in 1989 and 2.1 percent growth in 1990. These rates are far below the 4 percent growth rates seen in the early stages of the recovery from 1984 to 1986.

With disposable income projected to grow between 1.6 percent and 2.2 percent annually, the slow growth in consumer spending indicates a turnaround in personal savings. Savings, as a percent of disposable income, is projected to increase from the current low rate of 3.8 percent to a more normal 5 percent by 1990.

The weakness in the consumer spending forecast is concentrated in durable goods, particularly autos and furniture. However, the weakness also extends to the more stable nondurable goods purchases and to the consumption of services.

Investment spending is expected to be weak in 1988, largely due to the continuing decline in residential construction. Business equipment spending is projected to remain relatively strong.

Multi-family housing starts are projected to decline 18 percent in 1988 after having fallen 24 percent in 1987. This sector is continuing to adjust to high vacancy rates and the

recent loss of tax incentives. A modest recovery is forecast for 1989 and 1990 with multi-family starts increasing 11.5 percent and 1.6 percent respectively in those years.

Single-family housing starts are expected to fall 5 percent in 1988 and then recover in 1989 and 1990 growing by 9 percent in 1989 and 1 percent in 1990.

The strongest area of investment spending will be in business equipment. The U.S. economy has grown steadily for the last five years and capacity utilization in manufacturing has gradually increased from 68 percent in 1983 to 82 percent currently. The U.S. economy is now near the point where increased output will require increased investment. Business equipment investment is expected to increase 6.8 percent in 1988, 2.0 percent in 1989 and 4.2 percent in 1990.

Government spending is expected to remain weak throughout the forecast period. This is dictated by the federal government's need to address its budget deficit. The federal deficit is forecast to increase slightly in fiscal 1988 to $161 billion, but decline thereafter to $143 billion in 1989 and $110 billion in 1990.

State and local government spending growth will decelerate in 1988 and 1989. This slowdown is expected because spending growth has exceeded revenue growth during the past three years, depleting operating account surpluses which are now in an aggregate deficit position. Some belt tightening will surely result.

Despite the fact that the merchandise trade deficit for 1987 will be a record $170 billion (census basis), the foreign trade sector is expected to be a significant source of strength for the U.S. economy during the forecast period. In fact, inflation-adjusted net exports increased 12.8 percent in 1987. The cheaper dollar appears to be working as expected, increasing the price of imported goods, while making U.S. exports price competitive overseas. While the dollar is expected to stabilize in 1989 and 1990, its decline since 1985 will provide a positive impetus to foreign trade through 1990. Real exports are forecast to increase at double digit rates in 1988 and 1989, while real imports increase by less than one percent.

The strength in the foreign trade sector is a key element for continued economic growth because of its effects on both manufacturing production and business investment.

Inflation as measured by the Consumer Price Index, will accelerate modestly from 3.7 percent in 1987 to 5 percent in 1990. A significant part of this inflation is attributable to escalating prices for foreign goods caused by the weak dollar. Thus, inflation as measured by the GNP deflator, which measures the cost of goods and services produced in the U.S., will be lower, increasing from 3.0 percent in 1987 to 4.5 percent by 1990.

Interest rates are expected to be relatively stable over the forecast period, with a slight lowering of interest rates in 1988 as the economy softens.

WISCONSIN OUTLOOK

The Wisconsin economy ended 1987 on an upbeat note, adding 12,600 more nonfarm jobs than was forecast in our previous outlook in November. Total nonfarm job growth in the final quarter of 1987 was nearly 23,000 on a seasonally adjusted basis, while the previous forecast anticipated that total new jobs in the fourth quarter would be 10,400. This news, coupled with evidence that the U.S. trade balance finally may be turning around, could bode well for the

Wisconsin economy this year. In particular, the outlook for durable manufacturing is more buoyant than suggested by past trends because new export orders and a resurgent domestic demand for capital equipment are expected to offset a softening for purchases of consumer goods. Price competitiveness is especially acute for durable goods. The declining dollar has made U.S. goods more price competitive, enabling U.S. producers to recapture market shares of international trade, and has led to the expectation of continued growth for Wisconsin durable goods producers.

When focusing on the other sectors of the Wisconsin economy, however, there is little reason to be overly sanguine. Because the anticipated cutback in consumer spending is expected to slow total economic growth nationally this year, much of this weakness will translate into fewer new jobs this year than in 1987. Total nonfarm employment is expected to grow by 2.1 percent in Wisconsin this year, a slight decline from the 2.3 percent job growth last year. Also, the announced shutdown of auto assemblies in Kenosha later this year will have an impact on the Wisconsin employment picture and has been factored into this forecast.

The pleasant news is that Wisconsin employment expanded faster than anticipated in the fourth quarter. Four major industry groups accounted for nearly all of the unanticipated 12,600 jobs: construction, durable manufacturing, wholesale trade, and services.

Construction employment has remained strong in spite of a flattening out of new housing permits. Nonresidential construction activity remains strong. Durable manufacturing employment undoubtedly responded to the better trade picture and growing new orders. The grain in wholesale trade and services, while perhaps distorted by unusual and unknown seasonal events, probably reflect the perception that consumer and business attitudes in the aftermath of the stock market crash were less affected in Wisconsin than elsewhere. More fundamentally, though, there should be a realization that sudden gains or losses in employment within very short time spans are quite common and do not necessarily portend new trends.

With consumption slowing down but net exports expected to take up the slack, the Wisconsin economy is expected to improve modestly this year. Real personal income is forecast to expand by 1.2 percent this year. Real personal income should do slightly better in 1989 and 1990, growing 1.4 percent and 2.4 percent respectively.

Measured in terms of employment, the sectors of the Wisconsin economy which are expected to grow faster than last year are durable manufacturing, construction, and services. All other sectors are expected to post lower rates of employment growth, with mining employment expected to decline slightly.

Durable manufacturing will be the beneficiary of the lower dollar and a turnaround in the trade balance. Construction employment is expected to remain strong as commercial building continues to benefit from favorable real estate markets in Wisconsin. Service employment will continue to be bolstered by growth in business services as firms which previously provided these business-related functions in-house may find it more cost-efficient to contract for these same services, thereby reducing overhead costs.

Employment in trade is expected to decelerate from recent past trends, growing by 2.6 percent this year, and by 2.2 and 1.9 percent in 1989 and 1990. Employment growth in financial services, after growing at rates above 3 percent for the past two years, is

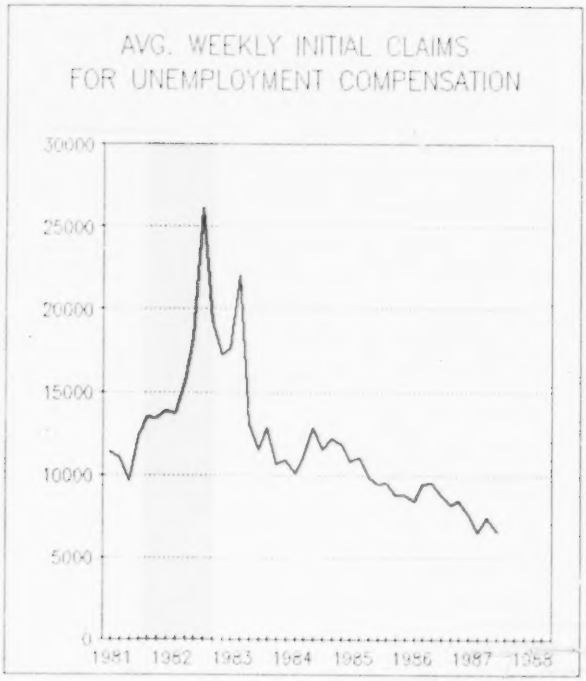
(Continued on back cover)

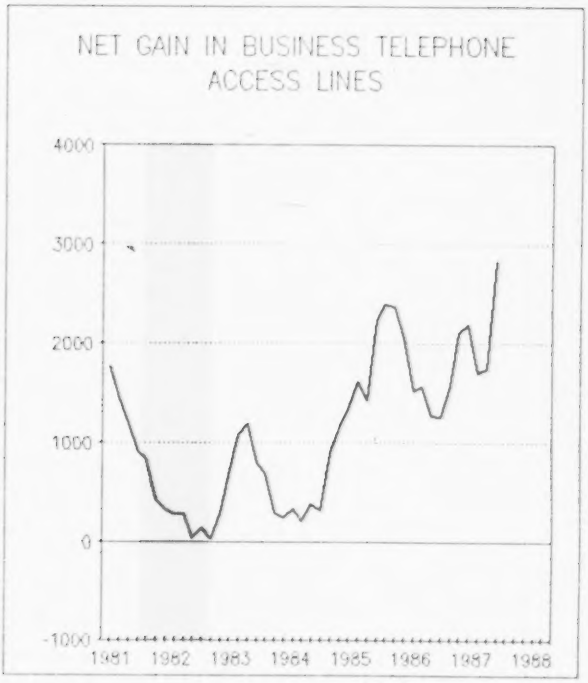
WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

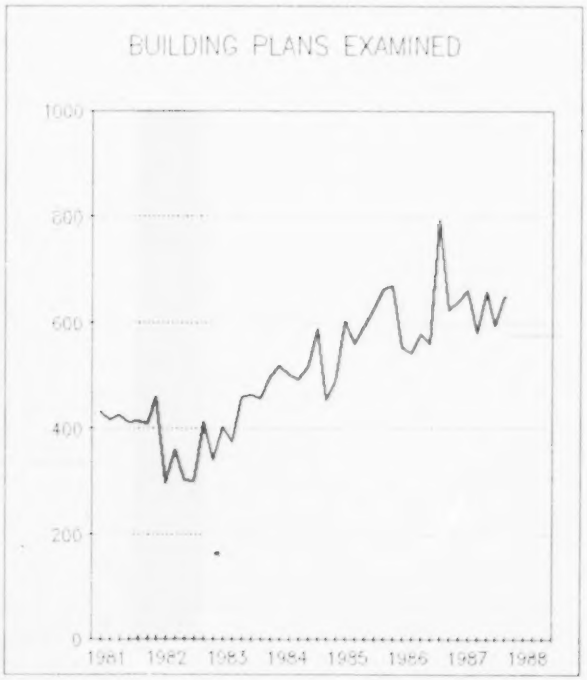
	1986	1987	1988	1989	1990
MANUFACTURING	512.5	521.5	529.4	536.5	547.4
DURABLES	310.2	315.5	322.9	327.3	334.3
LUMBER PRODUCTS	23.3	25.1	26.5	27.2	27.3
STONE, CLAY, GLASS	7.9	8.8	9.2	9.6	9.9
PRIMARY METALS	19.0	19.0	20.3	20.2	20.8
FABRICATED METALS	51.5	51.3	52.9	55.3	57.2
NON-ELECT. MACHINERY	98.6	100.2	103.4	105.8	108.0
ELECTRICAL MACHINERY	48.5	47.5	47.9	48.3	50.1
TRANS. EQUIPMENT	30.5	32.2	30.3	27.8	27.5
OTHER DURABLES	30.9	31.5	32.5	33.1	33.5
NONDURABLES	202.2	205.9	206.5	209.2	213.0
FOOD PRODUCTS	62.1	62.2	60.3	60.4	60.3
PAPER PRODUCTS	49.0	49.4	49.6	49.7	50.1
PRINTING & PUBLISHING	39.6	40.8	42.3	44.0	46.0
CHEMICALS	10.6	11.3	11.6	12.0	11.9
RUBBER & PLASTICS	23.3	24.5	24.9	25.7	27.2
OTHER NONDURABLES	17.6	17.7	17.8	17.5	17.4
MINING	2.0	2.1	2.1	2.0	2.0
CONSTRUCTION	63.8	65.5	67.6	70.9	73.1
TRANS., COMM., UTILITIES	92.8	93.0	93.7	95.4	97.4
FINANCE, INSUR., REAL EST.	107.7	111.4	114.5	119.2	124.3
TRADE	477.8	494.0	507.1	518.2	528.2
SERVICES	432.9	448.0	464.8	483.1	502.9
GOVERNMENT	325.1	325.1	325.7	327.9	330.1
TOTAL EMPLOYMENT (Nonfarm)	2014.7	2060.7	2105.0	2153.2	2205.4

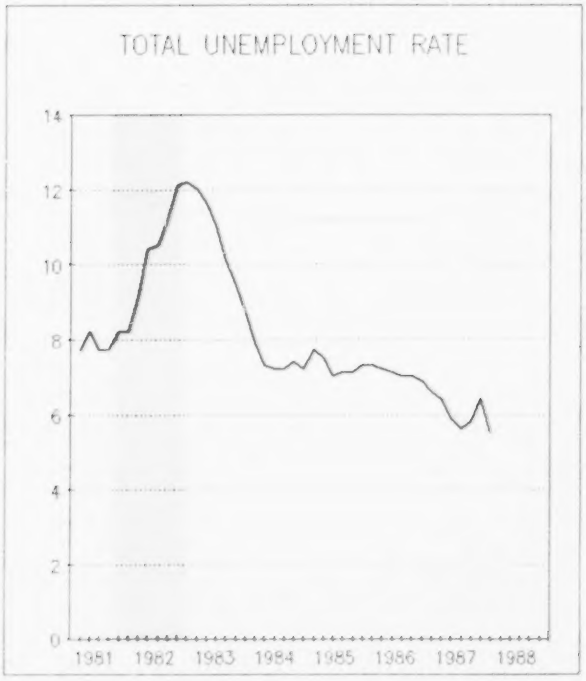
Section

D CYCLICAL INDICATORS









Department of Industry,
Labor and Human Relations

DILHR

201 E. Washington Ave.
P.O. Box 7944
Madison, WI 53707

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE, $300.

FIRST CLASS MAIL

000992E
CONGRESSIONAL INFO. SERVICE
SRI
4520 EAST/WEST HIGHWAY
BETHESDA, MD 20814

U.S. MAIL

Postage and Fees Paid
U.S. Department of Labor
Lab 449

FIRST CLASS MAIL

CHANGE OF ADDRESS □ NEW ADDITION □ -Please Print or Type New Address

NAME OF BUSINESS _____

ATTENTION _____

STREET ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

DISCONTINUE SERVICE □ I DO NOT WISH TO CONTINUE RECEIVING THIS PUBLICATION.

DETACH THIS BACK PAGE, MAKE SURE THE MAILING LABEL LOCATED AT THE TOP OF THIS PAGE IS INCLUDED AND RETURN TO: WISCONSIN EMPLOYMENT AND ECONOMIC INDICATORS, BOX 7944, MADISON, WI., 53707

(Continued from page 11)

also expected to slow this year to 2.8 percent, a fallout from nationwide instability in financial markets, before resuming growth at over 4 percent in the following years. Total employment is expected to expand by 2.1 percent this year, followed by growth of 2.3 percent in 1989 and 2.4 percent in 1990.

Wage inflation is expected to gradually accelerate during the next few years as labor markets become tighter and general inflation edges upward. Wisconsin nonfarm wage rates are expected to grow by 3.5 percent this year followed by gains of 4.1 and 4.9 percent in the following two years. This modest wage inflation will result in a total wage and salary income growth of 5.7 percent this year. Wage and salary income is expected to grow by 6.5 percent in 1989 and by 7.4 in 1990.

Total personal income is expected to slow to a growth rate of 5.4 percent this year, following a gain of 5.7 percent in 1987. Nonfarm proprietors' income growth likely will be off sharply from the 10.5 percent posted in 1987 to 5.8 percent this year due to the generally expected profits squeeze. Farm proprietors' income should also be off slightly because of reduced farm supports, but slower growing farm input costs should cushion the farm net income position.